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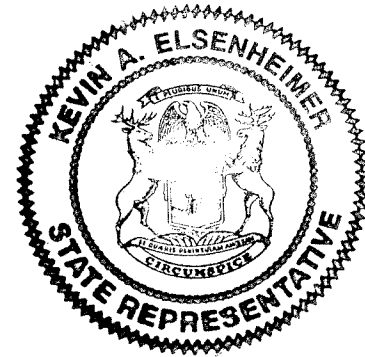
Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

FIRST AMENDMENT TO THE CONSTITUTION

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EDITORIALS: OUR OPINION

Save auto industry jobs by reforming legal system

Billions wasted each year defending frivolous lawsuits

Chrysler Group Chief Executive Tom LaSorda knows that better products, leaner operations and enhanced customer service are essential. But there's one issue that requires outside attention — legal reform — and he's rightly making a public case for change.

Lawsuit abuse costs businesses in America billions of dollars a year and, in the auto industry, contributes to the ever increasing prices of cars and trucks. Frivolous lawsuits are filed against Chrysler, Ford Motor Co. and General Motors Corp. almost as fast as the companies build cars.

Lawsuits cost America \$246 billion a year, according to the President's Council of Economic Advisers. Up to two-thirds of that are frivolous costs. Plaintiff's lawyers take in roughly \$46 billion annually in fees.

In response, LaSorda is pushing a four-point legal reform plan to rein in lawsuit abuse. His suggestions should be adopted nationwide. Doing so will save taxpayers money and protect businesses from unscrupulous lawyers who would rather sue deep-pocketed companies than lobby for tougher laws or tighter safety restrictions.

"A legal system that was intended to protect citizens against negligence has been twisted into a multibillion-dollar industry run by plaintiff's lawyers," LaSorda said in a speech to the Economic Club of Chicago last week. "We need to fight meritless lawsuits, and not pay the form of blackmail that settlements too often take."

To achieve that, LaSorda suggests four things:

- In tort cases, which usually involve personal injury, witnesses should be allowed to tell the full story. LaSorda said juries often aren't allowed to know if the people involved in auto accidents were wearing their seatbelts or if alcohol was involved.

- Set reasonable and fair limits on damages in product liability cases. Auto companies in particular have a bulls-eye on them because of their deep pockets. But the people who are injured forfeit much of the money to lawyers. It is estimated some plaintiffs get less than 50 cents for every dollar awarded.

Litigation costs soar

The costs of injury lawsuits, in total and as a percentage of economic output, have soared since 1950.

Year	Total U.S. costs (in billions)	Tort costs*
1950	\$1.6B	0.62%
1960	\$5.4B	1.03
1970	\$13.9B	1.34
1980	\$42.7B	1.53
1990	\$130.2B	2.24
2000	\$179.2B	1.83
2003	\$245.7B	2.23

Source: "Tilghnest,"
As percentage of gross domestic product

Aaron Hightower / The Detroit News

- Stop punishing companies that meet or exceed federal safety and regulatory standards.

"When you have a vehicle that meets or exceeds the standards, at a minimum there should be no punitive damages," says Steven Hantler, Chrysler's assistant general counsel.

Parameters for this are already established in Michigan with drug company immunity laws, which protect pharmaceutical manufacturers from being sued if their products are federally approved. That's an appropriate benchmark and one that should be adopted for all manufacturers.

If the goal is to protect consumers, as tort lawyers claim, wouldn't it be better to seek tougher federal standards rather than sue the people who research, invent and bring to market the products that consumers want? The obvious answer is yes, but that would eliminate a source of continuing revenue for plaintiff's lawyers.

- Eliminate "judicial hellholes," those jurisdictions that have such lax lawsuit filing requirements that cases can be presented with only tenuous connections to the company or plaintiff. Improving this point alone would increase the likelihood a company would invest in a state, as Chrysler recently did in Illinois by committing \$419 million to improve a plant there.

Neither Chrysler nor the other companies that speak out on this topic are looking for blanket immunity from lawsuits, but they do want — and deserve — fair treatment in the courts. Michigan's business leaders should get on board with LaSorda's suggestions and push lawmakers for reform.